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LISTING STATEMENT No. 2326

LISTED DECEMBER 31, 1968

1,029,090 common shares without nominal or par value, of which 37,407 shares are subject to issuance.

Stock Symbol "AGR"

Post Section 4.5

Dial Quotation No. 1220

THE TORONTO STOCK EXCHANGE

LISTING STATEMENT

AGRA VEGETABLE OIL PRODUCTS LTD.

Incorporated under the laws of the Province of Saskatchewan  
by Certificate of Incorporation dated November 7, 1960  
at Regina, Saskatchewan

CAPITALIZATION AS AT NOVEMBER 4, 1968

SHARE CAPITAL	AUTHORIZED	ISSUED AND OUTSTANDING	TO BE LISTED
Common shares without nominal or par value .....	3,000,000	991,683	1,029,090*
*Of which 37,407 have been subscribed but have not yet been issued.			
FUNDED DEBT			
8% mortgage loan .....	\$ 990,000	\$359,250	NIL

November 4, 1968

1. APPLICATION

Agra Vegetable Oil Products Ltd. (hereinafter called the "Company") hereby makes application for the listing on the Toronto Stock Exchange of 1,029,090 common shares without nominal or par value in the capital stock of the Company, of which 991,683 have been issued and are outstanding as fully paid and non-assessable. The remaining 37,407 shares have been subscribed but are not yet fully paid and represent the balance of an issue of 125,000 shares of the common stock of the Company which was offered to the public to finance the construction of an edible oil refining plant.

2. HISTORY

The Company was incorporated in 1960 under the laws of the Province of Saskatchewan to engage in the business of processing and dealing in oilseeds and vegetable oil products.

Since the Fall of 1963 the Company has been operating a vegetable oil crushing plant at Nipawin, Saskatchewan. This plant was constructed at a cost of \$800,000 and has a capacity of 200 tons of oilseeds per day.

In 1968, construction of an edible oil refining plant was initiated. Estimated cost is \$1,250,000 and capacity will be 60 tons of edible oil per day. This project is to be completed and production is to commence early in 1969.

3. NATURE OF BUSINESS

The principal business of the Company is to process and deal in oilseeds and vegetable oil products.

The crushing plant of the Company has employed rapeseed as the sole raw material to date. Nipawin is located in the centre of the rapeseed growing area of Saskatchewan. The rapeseed is drawn mainly from an area within a 100 mile radius of the plant. This area has grown approximately 5,000,000 bushels of rapeseed in each of the past four years. This compares with a consumption by the crushing plant in each of the past three years of close to 1,250,000 bushels. Location of the plant at Nipawin combines the advantages of a plentiful supply and low acquisition costs of rapeseed.

The crushing plant produces two products. One is crude rapeseed oil. This product is presently shipped to refiners in eastern Canada who refine the oil and incorporate it into margarine, shortenings, and salad and cooking oils. The other product is rapeseed meal. This is a protein supplement for livestock and poultry feeds and is distributed to feed manufacturers located across Canada. Both products are marketed through brokerage firms.



The edible oil refinery now being constructed at Nipawin is a natural extension of the existing facilities, as it will potentially utilize a large part of the crude oil produced by the crushing plant. Both liquid and solid, or hydrogenated, oils will be produced. The products will be sold principally in western Canada to packagers of margarine, shortening, and salad and cooking oils.

Approximately 30 persons have been employed while the crushing plant was the sole facility of the Company. It is expected that another 15 employees will be added when the refining plant becomes operational.

#### 4. INCORPORATION

The Company was incorporated under the laws of the Province of Saskatchewan by Certificate of Incorporation dated November 7, 1960 with an authorized capital of 3,000,000 common shares without nominal or par value.

#### 5. SHARE ISSUES SINCE INCORPORATION

DATE OF ISSUE	NUMBER OF SHARES ISSUED	AMOUNT REALIZED PER SHARE	TOTAL AMOUNT REALIZED	PURPOSE OF ISSUE
Nov. 7, 1960	6,506	\$ .75	\$ 4,879.50	Incorporators' shares.
Jan. 17, 1961	390,000	.10	39,000.00	Consideration for materials, reports, information and property.
Jan. 17, 1961	41,941	1.00	41,941.00	Plant construction.
Jan. 31, 1962	35,372	1.00	35,372.00	Plant construction.
Oct. 1, 1962	1	—	—	Qualifying share.
Oct. 1, 1962	49,558	.85	42,124.30	Plant construction.
	43,380	1.00	43,380.00	
	55,836	1.0625	58,580.64	
	48,437	1.25	60,546.25	
Oct. 1, 1963	60,025	1.00	60,025.00	Plant construction.
	240	1.50	360.00	
July 31, 1965	100,000	.50	50,000.00	Exercise of option by Agra Development Ltd.
Oct. 31, 1967	87,593	2.00	175,186.00	Plant construction.
Nov. 4, 1968	72,794	.85	61,874.90	Exercise of option by Sask. Economic Development Corporation.

#### 6. STOCK PROVISIONS AND VOTING POWERS

All shares in the capital stock of the Company carry one vote for each share, and all shares rank equally with respect to dividends and distribution of profits or capital of the Company in the event of liquidation. There are no preferences, conversion rights, exchange rights or redemption rights in respect to shares of the Company.

#### 7. DIVIDEND RECORD

The Company declared and paid a dividend of five cents per share on 831,296 shares, totalling \$41,564.80, to shareholders of record on October 25, 1967.

#### 8. RECORD OF PROPERTIES

The Company owns a plant office building and property located near Nipawin, Saskatchewan, on a site comprising approximately 120 acres. The oilseed crushing facilities are comprised of eight buildings, which include an elevator for receiving and cleaning oilseeds, two seed storage bins, a steam generation and seed preparation building, a solvent extraction plant, four storage tanks for finished products, and three service buildings. The refining plant facilities under construction will include a refinery building, a hydrogen production unit, and finished product storage tanks.

All property, buildings and equipment owned by the Company are mortgaged as security in consideration of loans received from the Saskatchewan Economic Development Corporation.

#### 9. SUBSIDIARY COMPANIES

The Company has no subsidiary or controlled companies.

#### 10. FUNDED DEBT

The funded debt of the Company consists of:

(a) DESCRIPTION OF ISSUE	AGGREGATE AMOUNT AUTHORIZED	PRINCIPAL AMOUNT OUTSTANDING	MATURITY DATE	INTEREST DATES
8% mortgage loan	\$990,000	\$359,250	Dec. 1, 1980	1st day of each month



(b) Repayment:

The 8% mortgage loan is repayable in consecutive installments beginning January 1, 1969, of \$1,900 in each of the first 20 months, and \$8,000 in each of the next 119 months.

Amounts outstanding under this loan but not due may be prepaid at any time without penalty interest or other costs.

(c) Security:

The entire funded debt of the Company is owed to the Saskatchewan Economic Development Corporation, which has as security for its loans a general assignment of book debts together with a debenture secured by a floating charge on all assets of the Company and a mortgage on all chattels and fixed assets. The terms of the loans also restrict the payment of dividends, unless authorized by the Saskatchewan Economic Development Corporation, until such time as the loans are paid in full. The general assignment of book debts along with the floating charge against inventories has been postponed in favour of the Royal Bank of Canada for a working capital loan.

11. OPTIONS, UNDERWRITINGS, ETC.

Under the terms of an agreement dated October 25, 1962, and reaffirmed on January 1, 1967, for a loan of \$75,000, The Saskatchewan Economic Development Corporation was given an option to purchase common shares of the Company in full satisfaction of that part of the principal sum and interest and other moneys that may be outstanding and unpaid at the date of such election. In the event of such election, the purchase price was to be \$1.00 per share, less 15% commission. This option was exercised on November 4, 1968.

(b) There are no underwriting agreements outstanding.

(c) Under the provision of a prospectus dated October 31, 1967, and filed with the Saskatchewan Securities Commission, 125,000 common shares of the capital stock of the Company were offered to the general public at \$2.00 per share. 87,593 of these shares have been issued and are fully paid. The remaining 37,407 shares have been subscribed and will be issued upon receipt of the amounts due by the various subscribers.

(d) There are no issued shares of the Company held for the benefit of the Company.

12. LISTING ON OTHER STOCK EXCHANGES

There are no securities of the Company listed on any other Stock Exchange.

13. STATUS UNDER SECURITIES ACT

Particulars of any filing, registration, approval or qualification with or by the Ontario Securities Commission or any corresponding governmental body or authority are as follows:

(a) Prospectus of the Company dated January 17, 1961, and accepted for filing by the Saskatchewan Securities Commission on February 17, 1961, authorized the sale of 750,000 common shares of the Company at \$1.00 per share.

(b) Prospectus of the Company dated January 31, 1962, and accepted for filing by the Saskatchewan Securities Commission on March 6, 1962, authorized the sale of 701,553 common shares of the Company at \$1.00 per share.

(c) Prospectus of the Company dated October 1, 1962, and accepted for filing by the Saskatchewan Securities Commission on October 16, 1962 authorized the sale of 250,000 common shares of the Company at \$1.25 per share.

(d) Prospectus of the Company dated October 31, 1963, and accepted for filing by the Saskatchewan Securities Commission on November 21, 1963, authorized the sale of 10,000 common shares of the Company at \$1.50 per share and 90,000 common shares of the Company at \$2.00 per share.

(e) Amendment to the prospectus of the Company dated October 1, 1963, accepted for filing by the Saskatchewan Securities Commission on February 18, 1964, authorized the sale of 25,000 common shares of the Company at \$1.00 per share.

(f) Prospectus of the Company dated October 31, 1967, and accepted for filing by the Saskatchewan Securities Commission on January 19, 1968, authorized the sale of 125,000 common shares of the Company at \$2.00 per share.

14. FISCAL YEAR

The Fiscal year of the Company ends on July 31 each year.

15. ANNUAL MEETINGS

The Articles of Association of the Company provide that an Annual meeting of the shareholders of the Company shall be held once in each year at such time no later than fifteen months after the holding of the last preceding annual meeting and at such place as may be prescribed by the Company in general meeting or, in default, during the month of December at such time and such place as the directors of the Company shall appoint.

The last annual meeting of the shareholders of the Company was held on November 4, 1968, at Nipawin, Saskatchewan.



16. HEAD AND OTHER OFFICES

The head office of the Company is located near Nipawin, Saskatchewan, Canada. The Company has no other offices.

17. TRANSFER AGENT

The transfer agent of the Company is The Canada Permanent Trust Co. at Saskatoon, Saskatchewan, and Toronto, Ontario.

18. TRANSFER FEE

No fee is charged on stock transfers other than the customary Government stock transfer taxes.

19. REGISTRAR

The Registrar of the Company is The Canada Permanent Trust Company at Saskatoon, Saskatchewan, and Toronto, Ontario.

20. AUDITORS

The Auditors of the Company are Hamilton, George, Taylor, Golumbia and Co., 405 Canada Building, Saskatoon, Saskatchewan.

21. OFFICERS

The officers of the Company are:

NAME	OFFICE	HOME ADDRESS
Benjamin B. Torchinsky	President	Montreal, P.Q.
Clemence Roles	Vice-President	Saskatoon, Sask.
Dexter H. C. Beach	Secretary	Nipawin, Sask.
Gerhardt W. Neumann	Treasurer	Nipawin, Sask.

22. DIRECTORS

Benjamin B. Torchinsky	2 Westmount Square, Montreal, P.Q.
Clemence Roles	5 Weir Crescent, Saskatoon, Sask.
Dexter H. C. Beach	Box 161, Nipawin, Sask.
Gerhardt W. Neumann	Nipawin, Saskatchewan
L. Nile Nicholson	Nipawin, Saskatchewan
Norman D. Stacey	Nipawin, Saskatchewan
Harvey L. Stephens	311 Balfour Apts., Regina, Saskatchewan

CERTIFICATE

Pursuant to a resolution duly passed by its Board of Directors, Agra Vegetable Oil Products Ltd. hereby applies for listing of the above mentioned securities on The Toronto Stock Exchange, and the undersigned officers thereof hereby certify that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.

AGRA VEGETABLE OIL PRODUCTS LTD.

Per: "B. B. TORCHINSKY", President



"D. H. C. BEACH", Secretary

Distribution of Common stock as of November 4, 1968.

Number	Shares
6 Holders of 1 — 24 share lots	25
26 " " 25 — 99 " "	1,412
316 " " 100 — 199 " "	33,356
104 " " 200 — 299 " "	22,099
25 " " 300 — 399 " "	7,901
19 " " 400 — 499 " "	7,633
65 " " 500 — 999 " "	36,805
125 " " 1000 — up " "	882,452
<u>686</u> Shareholders	<u>Total shares 991,683</u>



# FINANCIAL STATEMENTS

STATEMENT A

## AGRA VEGETABLE OIL PRODUCTS LTD.

BALANCE SHEET — JULY 31, 1968  
(With comparative figures as at July 31, 1967)

### ASSETS

	1968	1967
<b>CURRENT ASSETS:</b>		
Cash on hand .....	\$ 709	\$ 68
Accounts receivable ..... \$482,945		
Less allowance for doubtful accounts ..... 2,788	480,157	253,992
Inventories, at the lower of cost or market:		
Rapeseed .....	71,903	158,841
Rapeseed oil and meal .....	140,471	130,620
Plant supplies and other .....	2,765	5,907
Deposits on rapeseed for future delivery — Note 6 .....	23,657	23,114
Prepaid expenses .....	3,175	2,912
Hedging deposits .....	9,650	28,509
Corporation special refundable tax .....	7,136	6,632
<b>TOTAL CURRENT ASSETS</b> .....	<b>\$ 739,623</b>	<b>\$ 610,595</b>
<b>FIXED ASSETS, at cost:</b>		
Land .....	\$ 3,571	\$ 3,571
Refinery project costs to date — Note 5 .....	97,064	—
Other buildings .....	176,678	170,752
Other machinery and equipment .....	657,381	636,411
	<b>\$ 934,694</b>	<b>\$ 810,734</b>
Less accumulated depreciation .....	123,949	84,848
<b>TOTAL FIXED ASSETS</b> .....	<b>\$ 810,745</b>	<b>\$ 725,886</b>
<b>ORGANIZATION EXPENSE</b> .....	<b>\$ 39,303</b>	<b>\$ 39,303</b>
	<b>\$1,589,671</b>	<b>\$1,375,784</b>

### LIABILITIES AND SHAREHOLDERS' EQUITY

<b>CURRENT LIABILITIES:</b>		
Bank loans and overdrafts — Note 4 .....	\$ 261,384	\$ 116,787
Trade accounts payable .....	151,090	173,888
Income taxes payable .....	12,764	—
Saskatchewan Economic Development Corp.—Note 4		
Working capital loan and accrued interest .....	1,783	150,892
Portion of mortgage loans due within one year .....	20,800	39,993
<b>TOTAL CURRENT LIABILITIES</b> .....	<b>\$ 447,821</b>	<b>\$ 481,560</b>
<b>LONG-TERM LIABILITIES:</b>		
Saskatchewan Economic Development Corporation:		
6½ % mortgage loan—Notes 2 and 4 .....	\$ 63,750	
Less portion payable within one year .....	7,500	\$ 56,250
8 % mortgage loan—Notes 3 and 4 .....	\$259,250	
Less portion payable within one year .....	13,300	245,950
<b>TOTAL LONG-TERM LIABILITIES</b> .....	<b>\$ 302,200</b>	<b>\$ 323,000</b>
<b>SHAREHOLDERS' EQUITY:</b>		
Share capital:		
Authorized — 3,000,000 common shares without nominal or par value.		
Issued and fully paid — 881,531 shares of which 50,235 were issued for cash during 1968 .....	\$536,679	\$ 436,209
Received for 19,242 shares subscribed but not issued .....	30,452	
Less commissions on shares sold .....	23,157	20,071
	<b>\$ 543,974</b>	<b>\$ 416,138</b>
Earned Surplus:		
Allocated to apply to future income taxes—Note 1 .....	\$147,736	69,707
Unallocated earnings—Statement B .....	147,940	85,379
<b>TOTAL SHAREHOLDERS' EQUITY</b> .....	<b>\$ 839,650</b>	<b>\$ 571,224</b>
	<b>\$1,589,671</b>	<b>\$1,375,784</b>

Approved on behalf of the Board of Directors:

B. B. TORCHINSKY, President  
D. H. C. BEACH, Secretary



## STATEMENT B

**AGRA VEGETABLE OIL PRODUCTS LTD.****STATEMENT OF UNALLOCATED EARNED SURPLUS**

For the year ended July 31, 1968  
(With comparative figures for the preceding year)

	1968	1967
Unallocated surplus at the beginning of the year .....	\$ 85,379	\$ (10,347)
Add net profit for the year—Statement C .....	182,155	165,433
	<u>\$ 267,534</u>	<u>\$ 155,086</u>
Less dividend declared .....	41,565	—
	<u>\$ 225,969</u>	<u>\$ 155,086</u>
Less allocation of surplus to cover future income tax charges arising from policy of claiming capital cost allowance in excess of depreciation expense—Note 1 ..	78,029	69,707
Unallocated surplus at the end of the year—to Statement A .....	<u>\$ 147,940</u>	<u>\$ 85,379</u>

## STATEMENT C

**STATEMENT OF EARNINGS**

For the year ended July 31, 1968  
(With comparative figures for the preceding year)

	1968	1967
NET REVENUE FROM SALE OF PRODUCTS .....	\$2,873,024	\$3,887,578
EXPENSES:		
Cost of rapeseed and cash production costs .....	\$2,542,850	\$3,570,481
Depreciation charged during the year .....	43,273	43,079
Interest and bank charges .....	38,900	51,145
Directors' fees and expenses .....	1,868	767
Other administrative costs .....	62,811	75,207
TOTAL EXPENSES .....	<u>\$2,689,702</u>	<u>\$3,740,679</u>
PROFIT ON CRUSHING OPERATIONS .....	\$ 183,322	\$ 146,899
OTHER INCOME .....	11,597	18,534
PROFIT BEFORE INCOME TAXES .....	<u>\$ 194,919</u>	<u>\$ 165,433</u>
PROVISION FOR INCOME TAXES PAYABLE WITHIN THE NEXT CURRENT YEAR .....	12,764	—
NET PROFIT FOR THE YEAR—to Statement B .....	<u>\$ 182,155</u>	<u>\$ 165,433</u>

## STATEMENT D

**STATEMENT OF FUNDS**

For the year ended July 31, 1968  
(With comparative figures for the preceding year)

	1968	1967
FUNDS PROVIDED BY:		
Operations (net profit plus depreciation) .....	\$ 225,429	\$ 208,511
Sale of equipment .....	6,025	135
Sale of shares .....	127,836	—
Renegotiation of mortgage loans—Note 3 .....	19,193	91,504
TOTAL FUNDS PROVIDED .....	<u>\$ 378,483</u>	<u>\$ 300,150</u>
FUNDS APPLIED TO:		
Refinery project .....	\$ 97,064	\$ —
Purchase of other fixed assets .....	37,094	11,785
Payments on mortgage loans .....	39,993	25,263
Payment of dividend .....	41,565	—
TOTAL FUNDS APPLIED .....	<u>\$ 215,716</u>	<u>\$ 37,048</u>
NET INCREASE IN WORKING CAPITAL FUNDS .....	\$ 162,767	\$ 263,102
FUNDS AVAILABLE AT BEGINNING OF YEAR .....	129,035	(134,067)
WORKING CAPITAL FUNDS AT END OF YEAR .....	<u>\$ 291,802</u>	<u>\$ 129,035</u>
REPRESENTED BY:		
Current assets .....	\$ 739,623	\$ 610,595
Less current liabilities .....	447,821	481,560
	<u>\$ 291,802</u>	<u>\$ 129,035</u>



## AGRA VEGETABLE OIL PRODUCTS LTD.

### NOTES TO FINANCIAL STATEMENTS JULY 31, 1968

1. In the Statement of Unallocated Earned Surplus—Statement B, the Company indicates that it has allocated \$78,029 in the current year and \$69,707 in the previous year to cover future income taxes arising from its policy of claiming capital cost allowances in excess of depreciation expense. No allocation was actually made in the accounts of the previous year, but the tax saving resulting from this policy was disclosed in Note 3 to the Financial Statements of last year. For comparative purposes, it was deemed that the total of \$147,736 now allocated should be applied in the financial statements to the year in which the tax saving took place.
2. Under the terms of an agreement dated October 25, 1962, and reaffirmed on January 1, 1967 for a loan of \$75,000, the Saskatchewan Economic Development Corporation has been given an option to purchase common shares of the Company in full satisfaction of that part of the principal sum and interest that may be outstanding and unpaid at the date of such election. In the event of such election, the purchase price is to be \$1.00 per share, less 15% commission.
3. On August 8, 1968, the Company entered into a mortgage loan agreement with the Saskatchewan Economic Development Corporation for the provision of funds totalling \$990,000, and bearing interest at the rate of 8% per year. \$700,000 is to be used in the financing of the construction of an edible oil refining plant, and the balance is to be used to provide working capital and to refinance the mortgage loans previously outstanding other than the loan for \$75,000 described in Note 2.
4. The Saskatchewan Economic Development Corporation has as security for its loans a general assignment of book debts together with a debenture secured by a floating charge on all assets of the Company and mortgages on all chattels and fixed assets. The terms of the loans also restrict the payment of dividends, unless authorized by the Saskatchewan Economic Development Corporation, until such time as the loans are repaid in full. The general assignment of book debts along with the floating charge against inventories has been postponed in favor of the Royal Bank of Canada for a working capital loan.
5. The Company has begun construction of an edible oil refining plant at Nipawin, Saskatchewan, which it is estimated will cost \$1,250,000. To finance this project, application has been made to the Area Development Agency of the federal Government for a grant approximating \$300,000, the Saskatchewan Economic Development Corporation will provide \$700,000 through a mortgage loan, and \$250,000 is to be raised through the issue of 125,000 common shares of the Company at \$2.00 each.
6. The Company has instituted legal proceedings to recover \$18,876 shown on the Balance Sheet as "Deposits on Rapeseed for future Delivery." Various examinations for discovery have been completed to date.

### AUDITOR'S REPORT

To the Shareholders of  
Agra Vegetable Oil Products Ltd.

We have examined the balance sheet of Agra Vegetable Oil Products Ltd., as at July 31, 1968 and the statements of unallocated earned surplus, earnings and funds for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. We have obtained all the information and explanations we have required.

In our opinion and according to the best of our information and the explanations given to us, and as shown by the books of the Company, the accompanying balance sheet and statements of unallocated earned surplus, earnings and funds are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Company as at July 31, 1968, and the results of its operations and the source and application of its funds for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Melfort, Saskatchewan.

October 4, 1968

HAMILTON, GEORGE, TAYLOR, GOLUMBIA & CO.,  
Chartered Accountants.

